

POL-20060418A

STATEWIDE IT BUSINESS PROCESS INTERIM POLICY

Information Technology Project Management

Approved

Office of the Chief Information Officer

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**APPROVED STATEWIDE IT BUSINESS PROCESS INTERIM POLICY: INFORMATION
TECHNOLOGY PROJECT MANAGEMENT**

EFFECTIVE DATE: JANUARY 6, 2010

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I. Purpose

The Montana Information Technology Act (MITA) authorizes the Department of Administration (DOA) to establish and enforce statewide information technology (IT) policies and standards. This **Information Technology Project Management Interim Policy** (Interim Policy) establishes the requirements for project management methodologies used to conduct state IT Projects.

The goals of this Policy are:

- Manage IT Projects in a consistent way throughout state agencies.
- Deliver IT Projects in a deliberate and standardized fashion.
- Establish metrics to measure the delivery of commissioned IT Projects.
- Utilize best practices in project management to deliver IT projects that are on time, on budget, and meet users' needs.

II. Policy

State agencies must develop information technology resources in an organized, deliberative, and cost-effective manner. [§2-17-505\(2\), MCA](#). State agencies shall implement best practice IT Project management methodologies to minimize unwarranted duplication and to ensure that similar information technology systems and data management applications are implemented and managed in a coordinated manner.

III. Authority

The Montana Information Technology Act requires that DOA carry out the planning and program responsibilities for information technology for state government, except the National Guard. [§2-17-512\(1\), MCA](#). DOA shall promote, coordinate, and approve the development and sharing of shared information technology application software, management systems, and information that provide similar functions for multiple state agencies. [§2-17-512\(1\)\(b\), MCA](#); DOA shall establish and enforce statewide information technology policies and standards. [§2-17-512\(1\)\(e\), MCA](#). .

This Interim Policy may conflict with other instruments currently in effect. Where conflicts exist, the more restrictive instrument governs. The development of future policies or standards will explicitly identify and retire any superseded portions of current policies or standards.

IV. Applicability

This Interim Policy applies to IT Projects conducted at state agencies defined in [§2-17-506\(8\), MCA](#), except for agencies exempted in [§2-17-516, MCA](#).

This Interim Policy may conflict with other information system policies currently in effect. Where conflicts exist, the more restrictive policy governs. The development of future policies or standards will specifically identify and retire any superseded portions of current policies or standards.

V. Scope

This Interim Policy encompasses state IT Projects that develop information technology systems, data management applications, or IT resources.

VI. Definition(s)

Agency	Any entity of the executive branch.
Enhancements	Any endeavor on an application or infrastructure that is already in place that is not greater than 500 hours in duration shall be considered an enhancement. Enhancements are managed by the application or service product owner and thus not considered formal projects requiring IT Project Management.
Independent Validation and Verification (IV&V)	The process used to verify and validate work products by a group other than the one that created or generated the original design. The entity conducting the IV&V must be independent of the personnel who are planning and conducting the IT project.
Information Technology	Hardware, software, and associated services and infrastructure used to store or transmit information in any form, including voice, video, and electronic data. <i>See, §2-17-506(7), MCA.</i>
Information Technology Infrastructure Library (ITIL)	A set of best practices standards for IT service management.
Institute of Electrical and Electronic Engineers (IEEE)	The world's leading professional association for the advancement of technology.

IT Project	<p>A temporary endeavor specifically undertaken to deliver the IT components of a project.</p> <p><i>The ITPMO and the Agency will collaborate to determine the appropriate category of the IT project in order to establish the appropriate level of project oversight as indicated by the Project Sizing Matrix.</i></p> <p><i>IT projects will be categorized as small, medium, or large using the comparative relationships among the following:</i></p> <ul style="list-style-type: none">• <i>Projected hours of effort</i>• <i>Budgeted cost</i>• <i>Complexity</i>• <i>Level of risk</i>• <i>Level of public or political profile associated with the project</i>
Methodology	<p>The way in which information is found or something is done. Methodology involves the methods, procedures and techniques used to collect and analyze information.</p>
IT Project Cost	<p>The total of all costs required to complete an IT Project. It must include all resources (both internal and external), Agency program staff, and assets necessary for implementation. Expenditures that are considered to be project administrative costs such as project management, Agency program and administrative staff, IV&V, contingency expenditures, and in some cases, travel, and education must also be considered as part of the IT Project Cost.</p>
IT Project Management	<p>The application of modern project management techniques and systems to the execution of an IT Project from start to finish to achieve predetermined objectives of scope, quality, time and cost to the Project Sponsor's satisfaction.</p>
Project Management Body of Knowledge (PMBOK)	<p>The sum of knowledge within the profession of project management as instituted by the Project Management Institute (PMI). It includes knowledge of proven traditional practices which are widely applied, as well as knowledge of innovative and advanced practices that have seen more limited use.</p> <p>It is not a catch-all methodology, but rather a framework upon which organizations may base their own methodologies and best practices.</p>
IT Project Management Office	<p>The office commissioned by the State CIO to bring about standardization, direction, and education in the management of Information Technology Projects for the State.</p>

IT Project Phases

Phase 0 – Ideation

This phase is typically handled by designated individuals within an Agency to act as the committee that selects IT Projects based on their Agency's strategy and goals.

Purpose: This phase allows for the acceptance and prioritization of new project ideas. Its main purpose is to introduce new ideas as potential projects, allow for evaluation of the idea, and allow a committee or team to commit the idea as a new project. The State IT PMO does not manage this phase.

Phase 1– Concept

Purpose: This phase focuses on identifying the 'business need' for the IT Project. It provides the Project Team with an orderly and efficient approach to suggesting, reviewing, and judging the merits of the new IT Project idea before significant resources are committed. This phase also allows the team to evaluate the resource needs and their availability.

Phase 2 – Initiation and Planning

Purpose: This phase facilitates the identification and initiation of cross-functional project teams that will define the detailed scope and requirements for the IT Project, plan and estimate the work and costs involved, make trade-offs as necessary, and commit to an agreed-upon balance among scope, time (schedule) and costs that will meet customers' and the Agency's goals.

Phase 3 – Execution and Approval

Purpose: This phase allows the team to perform cross-functional work and thoroughly review deliverables as they are developed, monitor project progress, deal with issues, and communicate to the team, management, and stakeholders. It also allows the team to review and test deliverables and get customer feedback and approval.

Phase 4 – Delivery and Closeout

Purpose: This phase allows the team to ensure that the deliverable(s) are ready to be deployed and that those people who will support the deliverable(s) are ready to support the customers. This phase also allows the team to closeout the IT Project well by capturing lessons learned, celebrating success, handing off and archiving project materials, and releasing team members for other projects.

**Project Selection
Methods**

Techniques, practices, or procedures used to select a project or group of projects that best support the organization's objectives.

**Project Selection
Team (PST)**

The team within any Agency that applies the project selection methods (see Project Selection Methods).

**State of Montana IT
Project Management
Guidebook**

The methodology and best practices established by the State CIO and State IT PMO. It is the book by which Agencies are to manage IT Projects. It utilizes the Project Management

Institute's Project Management Body of Knowledge (PMBOK), Information Technology Infrastructure Library (ITIL), Institute of Electrical and Electronic Engineers (IEEE) Standards for Software Project Management Plans (IEEE STD 1058-1998) as guides for its conception.

**State IT Project
Management
Methodology**

The State's unique methodology. It uses methods, procedures, and techniques that the State IT PMO has constructed or adapted to collect and analyze information. The methodology constructed is based on the guidelines and standards set within the PMBOK, IEEE, and ITIL.

Refer to the [Statewide Information Technology Policies and Standards Glossary](#) for a list of local definitions.

VII. Project Roles and Responsibilities

Role

Responsibilities

Project Sponsor

An Agency-assigned individual who manages, administers, and monitors the IT Project's deliverables and funds. The Sponsor works with the Business Project Manager (BPM) to ensure overall project delivery and is ultimately responsible for project delivery.

**Project Executive
Steering Committee**

A management Team assembled to oversee a project, program, or other major initiative to which the leader of the initiative, for example the project manager, or program manager, reports performance progress on a regular basis. The steering committee makes key decisions regarding direction, scope, control, and funding as part of its overall responsibilities.

**Business Project
Manager**

The Business Project Manager (BPM) is a position that may or may not be utilized by the business community to provide project management skills for the business sponsor, to ensure that the business goals are met. The BPM has the responsibility to understand and deliver the project based on the Sponsor's overall vision of the project. In this position, the BPM's responsibility is to the business and works alongside the assigned Information Technology Project Manager (ITPM). This role is appointed solely by and at the discretion of the Business Sponsor.

BPM's Defined Responsibilities:

- Overall Budget
 - Business Requirements
 - Project Planning and Scheduling
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<u>Role</u>	<u>Responsibilities</u>
	<ul style="list-style-type: none">• Project Resource Allocation• Performance and adherence to adapt methodology project delivery• Project Delivery
State IT Project Management Office (State ITPMO)	Provides project oversight for those projects meeting the criteria set in the project definition as directed by the State CIO.
Information Technology Project Manager (ITPM)	<p>An individual responsible for managing the overall IT project components and its deliveries. Acts as the single point of contact for the IT project. Controls planning and execution of the IT project's activities and works with the management of resources to ensure that established cost, time, and quality goals are met.</p> <p>Responsibilities include, but are not limited to:</p> <ul style="list-style-type: none">• Collecting technical requirements• Managing IT budget• Planning and scheduling• Managing resource allocation• Implementing methodology
Project Team	A team whose members usually belong to different functional or technical groups and are assigned to activities for the same IT Project

VIII. Administrative Roles and Responsibilities

**State Chief
Information Officer**

- Works with the agencies to ensure that IT Projects meet requirements that the Governor's Office of Budget and Program Planning (OBPP) establishes.
- Works with the agencies and the State IT PMO to ensure that clear and accurate reporting is provided to the Legislative Finance Committee, the Information Technology Board, the Legislative Audit Division, and the Office of Budget and Program Planning on the health and status of each IT Project.
- Guides agencies in the utilization of IT Project management best practices to ensure adherence to the State's desire to deliver projects within scope, on time and on budget.
- Provides additional support, guidance, or Independent Verification and Validation (IV&V) to improve or ensure the IT Project's probability of success at an agreed upon cost.
- Takes appropriate measures to protect the State's investment in any given IT Project. This responsibility may include temporarily (until such time that issues/risks have been mitigated) or permanently halting any project (as recommended by an advisory team or the State IT PMO), should there be no other reasonable course of action available.
- Approves all IT contracts and systems specifications.

**Governor's Office of
Budget and Program
Planning (OBPP)**

- Assists the State Project Management Office in establishing project categories (i.e., small, medium, large).
 - Works with the State Project Management Office in establishing the specific metrics for reporting IT Projects.
 - Provides the State CIO with guidance and/or recommendations in matters pertaining to measures that should be undertaken to bring a problem IT Project under control.
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**State of Montana IT
Project Management
Office (State ITPMO)**

Responsibilities of the State ITPMO are at the direction of the State CIO and are as follows, but not limited to:

- Provides the State CIO with guidance and/or recommendations regarding proposed policies, practices and procedures in the discipline of IT project management.
 - In alliance with the agencies, provides and governs the standards, policy, procedures, templates, and guidance for the management of IT projects.
 - Provides Independent Verification and Validation of IT development projects.
 - Provides the agencies with assistance in the procurement, or support in the placement of BPM or ITPMs.
 - Assists agencies' efforts in understanding IT project management requirements, resource planning, and reporting requirements associated with any given IT project.
 - Provides agencies with guidance and mentoring on their IT projects, enabling the agencies to adhere to standards and practices as instituted by the State CIO to minimize risk and maximize the probability of success.
 - Provides the Legislative Fiscal Division with project status and budget updates on assigned IT projects.
 - Provides project guidance and status on IT projects to the State.
 - Facilitates the education of project management and best practices.
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Agencies

- Manage IT Projects utilizing the methodology, standards, and best practices as prescribed by the State IT PMO.
 - Assign or facilitate the assignment of a Project Sponsor, Business Project Manager, and an ITPM on IT projects.
 - Deliver the base deliverables prescribed by the State IT PMO at a minimum, adhering to the standards set forth.
 - Collect, manage, and archive significant project documentation, storing project documentation in the State IT PMO Document Repository.
 - Deliver status reports as determined by the Agency and State IT PMO if an IT Project meets or exceeds the criteria in the Definitions section. This report must contain the following information at a minimum:
 - Project Name
 - Project Status Report Period
 - Name Of Project Manager Assigned
 - Current Status
 - Brief Scope Description
 - Activities Completed Since Last Report
 - Activities To Be Completed By Next Report
 - Completed Milestones
 - Upcoming Milestones
 - Awareness Items (items that executives should take note of)
 - Scope Updates (Tracking to Schedule?)
 - Cost Updates (Utilizing the following formula:
Estimate at Completion (EAC) – Actual Cost (AC)
= Estimate to Complete (ETC)
 - Schedule Updates
 - Issues and Risks (Listing of major issues and risks identified)
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IX. Requirements

1. Agencies adhere to the processes and standards described in this policy, delivering at least the minimum IT Project deliverables prescribed for the project's cost, complexity, exposure to risk, political climate, and other procedures associated with this policy.
 2. The State IT PMO shall review IT projects before the project is submitted for Contractor Engagement Proposal (CEP) or Request for Proposal (RFP) consideration.
 3. IT projects shall have a Project Sponsor and Business Project Manager (BPM) assigned who represent the Agency's interest. These individuals shall have authority to act as Agency representatives and be authorized to act and speak for the Agency.
 4. The State IT PMO shall facilitate and assist the Agency in securing a Project Manager (i.e., BPM or ITPM) for the project. This person may be an internal resource to the State IT PMO or a contracted resource that is not employed by the primary vendor on the project.
 5. Project Managers perform the following duties:
 - Adhere to the minimal delivery standards the State IT PMO has established.
 - Provide a project plan in the format the State IT PMO has prescribed.
 - Provide status reporting on the project to the Sponsor and State IT PMO based on the standards and frequency the Agency and State IT PMO has established.
 - Deliver documentation meeting the standards set the State IT PMO has set related to the project's cost, complexity, exposure to risk, and political climate.
 6. If a vendor has IT Project management responsibilities, the Statement of Work or state contract will contain the minimum project deliverables required by the Agency and State IT PMO and will identify the assigned Project Manager and the delivering Agency's IT team. In every case, the State IT PMO shall assess the project's cost, complexity, exposure to risk, political climate, and size, and determine the reporting needs for the project. Vendor project managers will report on their assigned project to the State IT PMO via the Business Project Manager.
 7. Project Manager assigned to the IT Project will have project management training, skills, and prior experience commensurate with the IT Project's size and complexity. The State IT PMO shall provide the Project Manager Selection Worksheet to facilitate the Project Manager's selection before project execution.
 8. IT Projects will go through the Concept Phase unless the State CIO or OBPP deems it unnecessary. IT projects must complete the Concept Phase and secure State CIO or OBPP approval before moving into the Initiation and Planning Phase. Adequate project funding is critical to an IT project's success. For IT projects, agencies shall identify funding requirements for project management, IV&V, and contingency reserves commensurate with the size and complexity of the IT project, before requesting to have their project considered.
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9. The State CIO recommends to OBPP regarding approval of IT projects. No IT project shall secure resources without the State CIO's prior written approval.
10. State CIO informs the OBPP of the recommendations presented by the PST at the end of project Concept Phase. Selected projects may have specific (and additional) funding approvals required by statute or by OBPP, where the State CIO is required to verify and approve the release of funds by the OBPP.

X. Compliance

Compliance with this Interim Policy is evidenced by demonstrated adherence to the requirements listed herein.

XI. Enforcement

The Enforcement of this Interim Policy shall be accomplished in accordance with [§2-17-514, MCA. Department enforcement responsibilities.](#) The CIO may cancel any IT Project not in compliance with this policy.

XII. Change Control and Exceptions

The [Procedure for Establishing and Implementing Statewide Information Technology Policies and Standards](#) governs changes or exceptions to this Interim Policy. A person shall submit an [Action Request](#) form (at http://itsd.mt.gov/content/policy/policies/administration/action_request.doc) to request a change or review. A person shall submit an [Exception Request](#) form (at http://itsd.mt.gov/content/policy/policies/administration/exception_request.doc) to request an exception. The State CIO will prioritize changes to this Interim Policy based on impact and need.

XIII. Closing

Direct questions or comments about this instrument to the State of Montana Chief Information Officer at [ITSD Service Desk](mailto:ITSD@mt.gov) (at <http://servicedesk.mt.gov/ess.do>), or:

PO Box 200113
Helena, MT 59620-0113
(406) 444-2700
FAX: (406) 444-2701

XIV. References

A. Legislation

- [§2-17-505](#), Policy
- [§2-17-506](#), Definitions
- [§2-17-512](#), MCA Powers and Duties of Department.
- [§2-17-516](#), Exemptions
- [§2-17-531](#), MCA. Transfer of funds, equipment, facilities, and employees.

B. Policies, Directives, Regulations, Rules, Procedures, Memoranda

C. Standards, Guidelines

XV. Administrative Use

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Disposition Instructions: Retain for Record

Change & Review: [ITSD Service Desk](http://servicedesk.mt.gov/ess.do) (at <http://servicedesk.mt.gov/ess.do>)

Contact:

Review: Event Review: Any event affecting this instrument may initiate a review. Such events may include a change in statute, key staff changes, or a request for review or change.

Scheduled Review Date: 5 years from date of approval

Last Review Date: January 1, 2010

Changes: September 5, 2008: Non-material changes –

- Corrected URLs
- Corrected contact information
- Added document control field codes

April 14, 2009 – Non-material changes made:

- Corrected broken URLs
- Applied new document layout.

May 4, 2009 – Non-material changes made:

- Deleted incorrect version number field

January 1, 2010 - Material changes

- Change to indicate that the policy applies only to IT projects.
- Change “PMO” to “ITPMO” within policy

- Clarify requirements and agencies' responsibilities.